

# **BUREAU OF EXPORT ADMINISTRATION**



## **FY 2000 BUDGET REQUEST**

**Department of Commerce**  
**BUREAU OF EXPORT ADMINISTRATION**  
**Budget Estimates, Fiscal Year 2000**  
**President's Submission**

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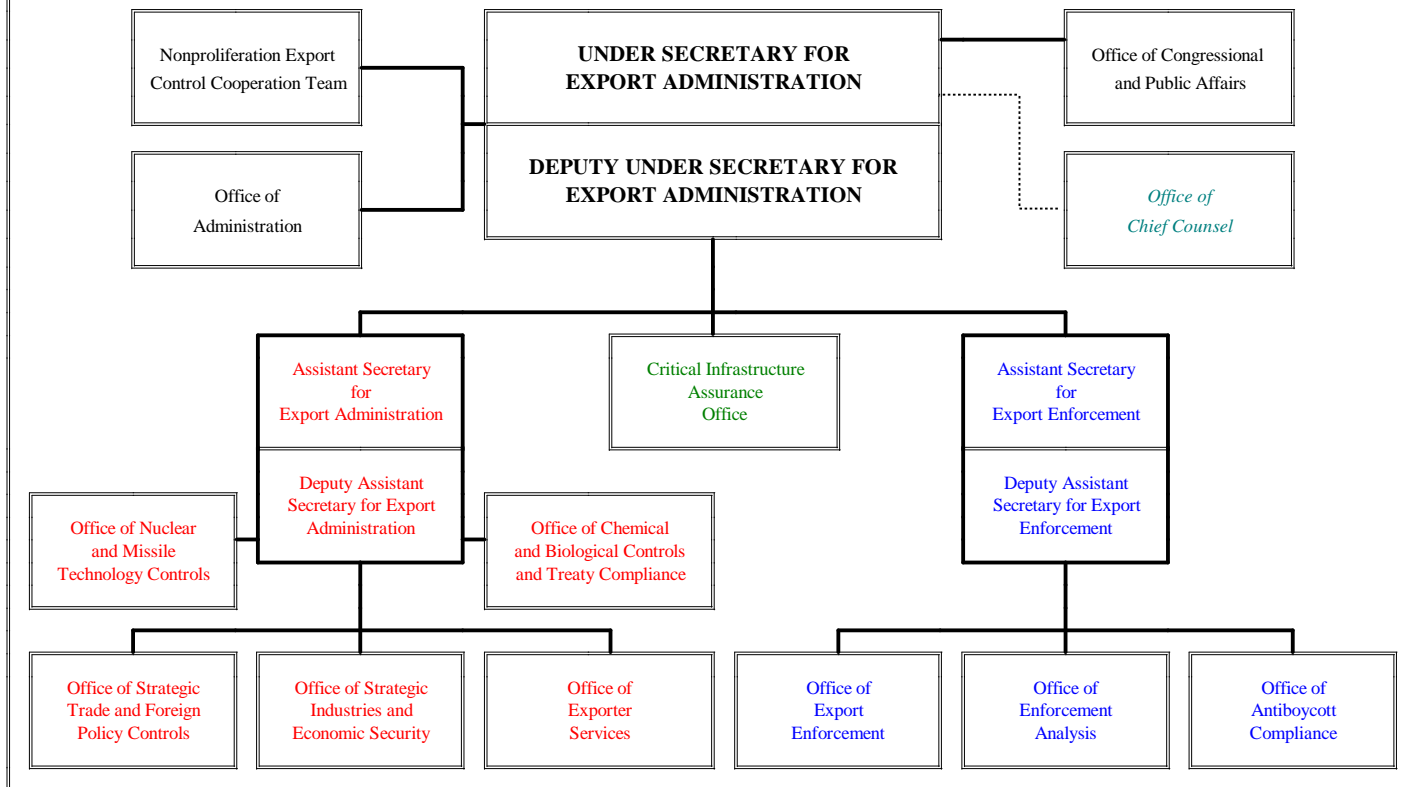
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Department of Commerce  
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Department of Commerce  
**BUREAU OF EXPORT ADMINISTRATION**  
 Budget Estimates, Fiscal Year 2000

President's Submission  
**Executive Summary**

Historically, the programs of the Bureau of Export Administration have been grouped by the Department under the overall theme of *Export Promotion and National Security* to reflect the importance that an efficient export licensing system has in expediting legitimate exports without compromising national security, foreign policy and nonproliferation concerns. Under the new Departmental themes, BXA directly supports the following: **Broadening our Trade Constituency; and Building a Culture and Support apparatus within the Commerce Department to Reflect our Goal of becoming the "Digital Department" by the end of the year 2000.**

Within the current Departmental and BXA strategic plans, BXA addresses one theme: **Promoting U S. competitiveness in the global marketplace by strengthening and safeguarding the nation's economic infrastructure** (while maintaining national security).

**Goals of the Program**

BXA's Strategic Plan has three strategic goals which support one of the three Departmental strategic themes. This Department theme is:

1. Building for the future and promoting U. S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's critical economic infrastructure. (DOC-1). This theme is supported by BXA Strategic Goals:
  - < Restructuring Export Controls for the 21 st Century. (BXA 1-D)
  - < Maintaining a fully effective law enforcement program to protect U. S. foreign policy, nonproliferation, and public safety interests. (BXA1 -E)
  - < Facilitating transition of defense industries. (BXA 1-F)

BXA's responsibilities involve national security and nonproliferation, export growth, and high technology. The Bureau's continuing major challenge is combating the proliferation of weapons of mass destruction while furthering the growth of U.S. exports, which are critical to maintaining our leadership role in an increasingly competitive global economy. BXA's principal activities include:

- ! Implementing the Export Administration Act (EAA). The EAA, which has expired and needs to be re-authorized, provides for export controls on dual-use goods and technology to fight proliferation and to pursue other national security, short supply, and foreign policy goals (such as combating terrorism). In response to the growing threat of proliferation of weapons of mass destruction by "pariah" nations and the evolution of the export licensing system towards individual end users, BXA has strengthened its export enforcement staff. The EAA is enforced through a variety of administrative, civil, and criminal sanctions. Simplifying and updating export controls in light of the end of the Cold War has been, and remains, a major goal of this Administration.

- ! Enforcing the export control and anti-boycott provisions of the EAA, and ensuring compliance with treaties imposing requirements on U.S. industry. The most important such treaty is the Chemical Weapons Convention (CWC), which gives BXA new inspection, law enforcement and outreach responsibilities. BXA plays a critical role in administering the new and complex declarations processing functions and the oversight of on-site inspections to ensure that confidential business information is not jeopardized as a result of CWC implementation.
- ! Managing the Critical Infrastructure Assurance Office (CIAO). On May 22, 1998, the President signed Presidential Decision Directive 63, Critical Infrastructure Protection, calling for a national effort to assure the security of the increasingly vulnerable interconnected national infrastructure, including telecommunications, banking, finance, energy, transportation and essential government services. The CIAO provides support to the National Coordinator's work with government agencies and the private sector in developing a plan to reduce the infrastructure's exposure to attack, and to respond and recover in the event of an attack.
- ! Analyzing and protecting the defense industrial and technology base, pursuant to the Defense Production Act and other laws. As the Defense Department increases its reliance on dual use high technology goods as part of its cost-cutting efforts, it is critical to our national security to ensure in preventing proliferation of weapons of mass destruction that we remain competitive in those sectors and sub-sectors.
- ! Helping Newly Independent States and emerging economies develop effective export control systems. The effectiveness of U.S. export controls can be severely undercut if other supplier nations export sensitive goods and technology or permit diversion of our exports or those of other nations.

BXA's two principal operating units, Export Administration (EA) and Export Enforcement (EE), as well as its Office of Administration, have been reorganized and downsized in recent years to implement the National Performance Review (NPR) and the Trade Promotion Coordinating Committee's (TPCC) recommendation to reform and streamline the export control system.

### **Environmental Assumptions**

BXA does not seek program enhancements on the basis of "what if" analysis. Requests for additional resources must be justifiable on one of three bases: "new mandates," (e.g., NDAA) "anticipated policy changes," or "maintaining critical base programs." This year's budget contains a number of such increases that reflect the Administration's priorities and the need to maintain the critical programs that BXA operates

### **Statement of Organization and Objectives**

BXA's program offices are organized as shown in Exhibit 1. The major functions and activities of each program area are summarized below.

**Management and Policy Coordination (MPC)** -- This activity supports all three bureau strategic goals, DOC strategic theme 1. It includes the functions performed by the Office of the Under Secretary and supporting staff offices. The primary objectives are to develop, analyze and coordinate policy initiatives within BXA and on an interagency basis. MPC provides direction and support in implementing the National Export Strategy. In addition, this activity includes resources for the Nonproliferation Export Control Cooperation program, which in coordination with other agencies works with foreign countries to strengthen the capability of those countries to control strategic exports and to help stop the smuggling of sensitive items.

**Export Administration (EA)** -- This activity supports all three bureau strategic goals, DOC strategic theme 1. It includes the functions performed by the Assistant Secretary for Export Administration and the supporting offices which carry out BXA programs regarding export licenses, treaty compliance, treaty obligations relating to weapons of mass destruction, and the defense industrial and technology base. The primary objectives are to determine the items requiring export licenses for reasons of national security, nonproliferation, foreign policy, and short supply; ensure that approval or denial is consistent with economic and security concerns; act as the liaison with the business community to ensure compliance with export control regulations; represent the Department in interagency and international fora relating to export controls; ensure the availability of industrial resources for national defense under the authority of the Defense Production Act; and assess the security consequences to the U.S. of various trade activities.

**Export Enforcement (EE)** -- This activity supports the first and second bureau strategic goals, DOC strategic theme 1. It includes the functions performed by the Office of the Assistant Secretary for Export Enforcement and programs carried out by supporting antiboycott and federal law enforcement offices. The primary objectives are to detect and prevent the illegal export of controlled goods and technology, to ensure that export controls are effectively enforced, to administer the EAA provisions restricting participation in foreign boycotts, and to enforce the Fastener Quality Act (FQA).

**Critical Infrastructure Assurance Office (CIAO)** -- This activity supports the work of the National Coordination for Critical Infrastructure with government agencies and the private sector in developing a plan to reduce the exposure of our nation's critical infrastructure to attack and to respond to any attacks that occur. On May 22, 1998, the President signed Presidential Decision Directive 63, Critical Infrastructure Protection, calling for a National effort to assure the security of the increasingly vulnerable interconnected infrastructure.

#### **Summary of Proposed Budget Increases**

**Management and Policy Coordination** --28 positions; 27 FTE; and \$5,407,000 are requested for this activity. This request includes program change totaling 4 positions; 3 FTE; and \$2,042,000. The following change is being requested:

- C** **Export Control Automated Support System Replacement (4 Positions; 3 FTE; and \$2,042,000)**. BXA must create a new information processing system to replace the aging Export Control Automated Support System (ECASS). An analysis of the existing system was conducted by Booz, Allen, Hamilton (BAH) under the leadership of the DOC Budget Office. The BAH business case study concluded that a new system is required in recognition of the fact that today's processing requirements are far different from the requirement 13 years ago when ECASS was developed. The business case documented significant cost, benefit and investment ratios reflecting savings and efficiencies offered by modern technologies. Although this initiative presented as a component of the MPC budget activity, if it is approved, its actual costs will be prorated to all BXA budget activities.

**Export Administration** --204 positions; 200 FTE; and \$24,628,000 are requested for this activity. The request includes program change totaling 12 positions; 9 FTE; and \$1,500,000. The following change is being requested:

- C** **CWC Protection of Industry Confidential Business Information (12 Positions; 9 FTE; and \$1,500,000)**. Export Administration is seeking additional resources to administer the new and complex declaration processing functions and on-site inspection requirements imposed on commercial chemical manufacturing facilities under the Chemical Weapons Convention (CWC). This program is critical in ensuring that United States industry complies with all treaty reporting requirements and that confidential business information (CBI) of U.S. chemical and pharmaceutical firms is protected.

**Export Enforcement** --205 positions; 200 FTE; and \$24,034,000 are requested for this activity. The request includes program changes totaling 7 positions; 5 FTE; and \$1,000,000. The following changes are being requested:

- C **National Defense Authorization Act (7 Positions; 5 FTE; and \$1,000,000)**. Export Enforcement has significant new responsibilities to implement the requirements of the National Defense Authorization Act of 1998 (NDAA). Under this new legislation, EE must undertake time-sensitive analytical screenings of pre-export notifications and conduct a voluminous number of post shipment verifications on exports of high performance computers to 50 countries, including China, India, Pakistan, Russia and Israel.

#### **Performance Measures**

The ten performance measures listed at the end of this budget are the result of Department of Commerce and OMB guidance to reduce and refine the twenty-eight performance measures included in the FY 1999 budget. As a result of this action, the current set of performance measures is brought more closely in line with GPRA requirements.



Department of Commerce  
**BUREAU OF EXPORT ADMINISTRATION**  
 Operations and Administration

**Summary of Goals, Objectives, and Performance Measures**

Strategic Theme	Bureau Goal	Bureau Objective	Program	Outputs	Outcomes
I. Build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the nation's economic infrastructure.	D. Restructure export controls for the twenty-first century.	1. Improvement of foreign export controls. 2. Prevention or deterrence of illegal transactions of controlled exports. 3. Provide accurate, timely decisions to export license applications.	MPC  Export Administration	1. Number of high risk transactions deterred. 2. Number of licensing decisions. 3. Number of export assistance seminars/conferences. 4. Number of nonproliferation and export control international cooperative exchanges.	1. Average processing time for license applications (days).
	E. Maintain a fully effective law enforcement program and protect U.S. national security, foreign policy, nonproliferation of dual-use commodities and chemical weapons, counter-terrorism, and public safety.	1. Identification and sanction of illegal export transactions.	MPC  Export Enforcement	5. Number of investigations completed. 6. Number of end-use visits conducted. 7. Number of enforcement outreach visits.	2. Number of investigations accepted for criminal or administrative remedies.
	F. Facilitate transition of defense industries.	1. Promote U.S. economic security, technological competitiveness, and defense diversification.	MPC  Export Administration	8. Number of strategic industry analyses completed.	

**Exhibit-5**

(Dollar amounts in thousands)

Comparison by Activity:			1999									
			1998 Actuals		Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
			Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
BXA- 16	Management and Policy Coordination.....	Pos./BA	24	\$2,975	24	\$3,280	24	\$3,365	28	\$5,407	4	\$2,042
		FTE/Obl.	23	3,557	24	3,476	24	3,365	27	5,407	3	2,042
BXA- 24	Export Administration.....	Pos./BA	170	20,349	192	21,776	192	23,128	204	24,628	12	1,500
		FTE/Obl.	165	19,280	191	23,661	191	23,128	200	24,628	9	1,500
BXA- 35	Export Enforcement.....	Pos./BA	170	20,576	198	21,605	198	23,034	205	24,034	7	1,000
		FTE/Obl.	170	23,154	195	23,506	195	23,034	200	24,034	5	1,000
BXA- 43	Critical Infrastructure.....	Pos./BA	0	0	50	6,000	50	6,386	50	6,386	0	0
		FTE/Obl.	0	0	50	6,000	50	6,386	50	6,386	0	0
	Direct Obligations.....	Pos./BA	364	43,900	464	52,661	464	55,913	487	60,455	23	4,542
		FTE/Obl.	358	45,991	460	56,643	460	55,913	477	60,455	17	4,542

Recoveries.....	(1,935)	0
Unobligated balance, start of year.....	(4,138)	(3,982)
Unobligated balance, transferred.....	0	0
Unobligated balance, end of year.....	3,982	0
Unobligated balance expiring.....	0	0

Transferred from other accounts (-).....	0	(330)
Transferred to other accounts (+).....	0	0

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Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

**Summary of Reimbursable Obligations**  
(Dollar amounts in thousands)

<b>Comparison by Activity:</b>	1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Policy Coordination.....	0	\$2,138	0	\$3,000	0	\$3,000	0	\$3,000	0	\$0
Export Administration.....	4	533	4	1,000	4	1,000	4	1,000	0	0
Export Enforcement.....	0	0	0	0	0	0	0	0	0	0
<b>Direct Obligations.....</b>	<b>4</b>	<b>2,671</b>	<b>4</b>	<b>4,000</b>	<b>4</b>	<b>4,000</b>	<b>4</b>	<b>4,000</b>	<b>0</b>	<b>0</b>

**Exhibit - 7**

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Summary of Financing**  
(Dollar amounts in thousands)

	1998 Actuals	1999 Currently Available	2000 Base	2000 Estimate	Increase/ Decrease
Total Obligations.....	\$48,662	\$60,643	\$59,913	\$64,455	\$4,542
Financing:					
Offsetting collections from:					
Federal funds.....	(2,217)	(3,000)	(3,000)	(3,000)	0
Non-Federal sources.....	(454)	(1,000)	(1,000)	(1,000)	0
Recovery of prior year obligations.....	(1,935)	0	0	0	0
Unobligated balance, start of year.....	(4,138)	(3,982)	0	0	0
Unobligated balance, end of year.....	3,982	0	0	0	0
Budget Authority.....	43,900	52,661	55,913	60,455	4,542
Financing:					
Transfers from other accounts.....	0	(330)	0	0	0
Transfers to other accounts.....	0	0	0	0	0
<b>Appropriation.....</b>	<b>\$43,900</b>	<b>\$52,331</b>	<b>\$55,913</b>	<b>\$60,455</b>	<b>\$4,542</b>

**Exhibit 8**

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Summary of Adjustments to Base**  
(Dollar amounts in thousands)

**Adjustments:**

Non-recurring for Y2K.....	0	(330)
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**Other Changes:**

	<u>FTE</u>	<u>Amount</u>
Full-year Cost of FY 1999 Pay Raise.....	0	\$240
FY 2000 Pay Raise .....	0	932
Working Capital Fund Pay Raise .....	0	92
Full-cost in 2000 of CWC Implementation Positions Financed Part Year 1999.....	0	1,801
With-in-Grade Step Increases.....	0	278
Civil Service Retirement System (CSRS).....	0	(169)
Federal Employees Retirement System (FERS).....	0	351
Thrift Savings Plan.....	0	38
Federal Insurance Contributions Act (FICA).....	0	127
Health Insurance.....	0	66
Employee Compensation.....	0	6
Rental payments to GSA.....	0	103
Federal Telecommunications System (FTS).....	0	8
Postage.....	0	11
NARA Storage costs.....	0	7
GPO Printing .....	0	11

Other Services:

Working Capital Fund .....	0	714
<b>Subtotal, Other Changes (excluding General Pricing Level Adjustment).....</b>	<b>0</b>	<b>4,616</b>

General Price Level Adjustment:

Rental payments to others.....	0	1
Communications and utilities.....	0	12
Other Services (Excl. WCF and CAMS).....	0	89
Supplies and materials.....	0	6
Equipment.....	0	4
<b>Subtotal, General Pricing Level Adjustment.....</b>	<b>0</b>	<b>112</b>

<b>Less, ATBs absorbed.....</b>	<b>0</b>	<b>(1,146)</b>
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<b>Total, adjustments to base.....</b>	<b>0</b>	<b>\$3,252</b>
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Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Justification of Adjustments to Base**  
(Direct Obligations in thousands)

**Adjustments:**

Non-recurring Y2K funds..... 0 (330)

**Other Changes:**

**EFE Amount**

**Pay Raises and Related Costs**

**0 \$1,264**

An increase of \$240,000 is requested to cover the full-cost of the 1999 pay increases and related costs.	
Total cost in 2000 of 1999 pay raise.....	965,000
Less amount funded in 1999 .....	(725,000)
Less amount absorbed .....	0
Total, Adjustment for 1999 pay increase.....	240,000

A general pay raise of 4.4% is assumed to be effective January 1, 2000.	
Total cost in 2000 for pay raise.....	932,000
Less amount absorbed in 2000 .....	0
Amount requested .....	932,000
Payment to the Working Capital Fund.....	92,000
<b>Total, Adjustment for 2000 pay raise.....</b>	<b>1,024,000</b>
Total adjustment-to-base.....	1,264,000

**Full-cost in 2000 of CWC Implementation Positions Financed Part Year 1999**

**0 1,801**

An increase of \$1,801,000 is requested to cover the cost of CWC implementation positions partially funded in 1998 and 1999.	
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**Within-Grade Step Increase**

**0 278**

An increase of \$278,299 is requested to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases which will be earned in 2000.	
Estimated number of within-grade step increases.....	185
Step increases not earned due to turnover (10.90% X 185).....	20
Average step above step 1 per separation.....	2
Average cost per within-grade step increase.....	1,659
Gross cost of scheduled step increases (\$1,659 X 185).....	306,915
Less savings due to separations (\$1,659 X 20 X 2).....	(66,360)
Subtotal, personnel compensation.....	240,555
Benefits.....	37,744
Total adjustment-to-base.....	278,299
(Continue on next page)	

	ETE	Amount
<b>Civil Service Retirement System (CSRS)</b>	<b>0</b>	<b>(169)</b>
The number of employees covered by the Civil Service Retirement System (CSRS) is expected to decrease slightly for regular employees. The estimated percentage of payroll for regular employees covered by CSRS will drop from 45.6 % to 50.3 % in 2000. For law enforcement, the number of employees covered by CSRS is expected to decrease as positions become vacant and are filled by employees covered by the Federal Employees Retirement System (FERS). The number of law enforcement employees covered by CSRS will drop from 61.7% in 1999 to 46.7% in 2000. Contribution rates will remain the same.		
<b>Regular Employees:</b> CSRS Cost in 2000 (\$16,250,000 x .4560 x .0851)..... 631,988 CSRS Cost in 1999 (\$16,250,000 x .5030 x .0851)..... 697,127 Subtotal..... (65,139)		
<b>Law Enforcement Agents:</b> CSRS Cost in 2000 (\$7,709,000 x .4670 x .0901)..... 324,369 CSRS Cost in 1999 (\$7,709,000 x .6170 x .0901)..... 428,556 Subtotal..... (104,187) Total adjustment-to-base..... (169,326)		
<b>Federal Employees' Retirement System (FERS)</b>	<b>0</b>	<b>351</b>
The number of employees covered by FERS is expected to slightly increase in 2000 for regular employees. The estimated percentage of payroll for regular employees will increase from 49.70% in 1999 to 54.40% in 2000. For law enforcement, the estimated percentage of payroll is expected to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 38.30% in 1999 to 53.30% in 2000. Contribution rates will remain the same.		
<b>Regular Employees:</b> FERS cost in 2000 (\$16,250,000 x .5450 x .1070)..... 945,880 FERS cost in 1999 (\$16,250,000 x .4970 x .1070)..... 864,159 Subtotal..... 81,721		
<b>Law Enforcement Agents:</b> FERS cost in 2000 (\$7,709,000 x .5330 x .2330)..... 957,373 FERS cost in 1999 (\$7,709,000 x .3830 x .2330)..... 687,943 Subtotal..... 269,430 Total adjustment-to-base..... 351,151		
<b>Thrift Savings Plan</b>	<b>0</b>	<b>38</b>
The cost of BXA's contribution to the Thrift Savings Plan is also expected to rise as FERS participation increases. The contribution rate is expected to remain at 2.0%.		
<b>Regular Employees:</b> Cost in 2000 (\$16,250,000 x .5440 x .0200)..... 176,800 Cost in 1999 (\$16,250,000 x .4970 x .0200)..... 161,525 Subtotal..... 15,275		
<b>Law Enforcement Agents:</b> FERS cost in 2000 (\$7,709,000 x .5330 x .0200)..... 82,178 FERS cost in 1999 (\$7,709,000 x .3830 x .0200)..... 59,051 Subtotal..... 23,127 Total adjustment-to-base..... 38,402		
(Continued of next page)		

	FTE	Amount
<b>Federal Insurance Contributions Act (FICA)</b>	<b>0</b>	<b>127</b>
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$70,725 to \$73,275 in 2000. The OASDI tax rate will remain at 6.2% in 2000.		
<u>Regular Employees:</u>		
2000 \$16,250,000 x .5440 x .9640 x .0620.....	528,349	
1999 \$16,250,000 x .4970 x .9610 x .0620.....	481,199	
Subtotal.....	47,150	
<u>Law Enforcement Agents:</u>		
2000 \$7,709,000 x .5330 x .9590 x .0620.....	244,307	
1999 \$7,709,000 x .3830 x .9580 x .0620.....	175,369	
Subtotal.....	68,937	
<u>Other than Permanent (Regular Employees):</u>		
2000 \$227,000 x .5440 x .9640 x .0620.....	7,381	
1999 \$227,000 x .4970 x .9610 x .0620.....	6,722	
Subtotal.....	659	
<u>Other than Permanent (Law Enforcement):</u>		
2000 \$1,122,000 x .5330 x .9590 x .0620.....	35,557	
1999 \$1,122,000 x .3830 x .9580 x .0620.....	25,524	
Subtotal.....	10,033	
Total adjustment-to-base.....	126,780	
<b>Health Insurance Premium</b>	<b>0</b>	<b>66</b>
This agency's contribution to Federal employees' health insurance premiums increased by 6.7%. Applied against the 1999 estimate of \$991,000, the additional amount required is \$66,397.		
<b>Employees' Compensation Fund</b>	<b>0</b>	<b>6</b>
The estimated Employees' Compensation Fund bill for BXA for the year ending is \$6,470.29. The charges will be reimbursed to the Department of Labor, pursuant to 5 U.S.C. 8147.		
<b>Rental Payments to GSA</b>	<b>0</b>	<b>103</b>
GSA rates are projected to increase 2.6% in 2000. This percentage was applied to the 1999 estimate of \$3,971,000 to arrive at an increase of \$103,246.		
<b>GPO Printing</b>	<b>0</b>	<b>11</b>
GPO has provided an estimated rate increase of 3.1% in 2000. This percentage was applied to the 1999 estimate of \$358,000 to arrive at an increase of \$11,098.		
<b>Federal Telecommunications System (FTS)</b>	<b>0</b>	<b>8</b>
The General Services Administration (GSA) is placed a surcharge of 4.9% for FTS 2000 to cover the costs of providing universal service. Applied against the 1999 estimate of \$167,000, the additional amount required is \$8,183.		
<b>Postage</b>	<b>0</b>	<b>11</b>
Postage is expected to increase by 3.0% in 2000. This percentage was applied to the 1999 estimate of \$354,000 to arrive at an increase of \$10,620. (Continued on next page)		
BXA - 14		
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	<b>FTE</b>	<b>Amount</b>
<b>National Archives and Records Administration (NARA)</b>	<b>0</b>	<b>7</b>
An additional \$7,000 is requested for storage costs at the National Archives and Records Administration (NARA).		
<b>Working Capital Fund</b>	<b>0</b>	<b>714</b>
An additional \$714,000 is required to fund cost increases in the General Administration's Working Capital Fund.		
<b>General Pricing Level Adjustment</b>	<b>0</b>	<b>112</b>
This request applies OMB economic assumptions for 2000 to sub-object classes where the prices that the Government pays are established through the market system. A 1.0% factor is being applied to rental payments to others (\$1,000); communications, utilities, and miscellaneous charges (excluding postage and FTS (\$12,000), other services (excluding the Working Capital Fund and CAMS (\$89,000); supplies and materials (\$6,000); and equipment (\$4,000).		
<b>Subtotal - FY 2000 Adjustments-to-base.....</b>	<b>0</b>	<b>\$4,398</b>
Less, ATBs absorbed.....	<b>0</b>	<b>(\$1,146)</b>
<b>Total - FY 2000 Adjustments-to-base.....</b>	<b>0</b>	<b>3,252</b>



Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Policy Coordination.....	Pos./BA	24	\$2,975	24	\$3,280	24	\$3,365	28	\$5,407	4	\$2,042
	FTE/Obl.	23	3,557	24	3,476	24	3,365	27	5,407	3	2,042

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

Program and Performance: Reimbursable Obligations  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Policy Coordination.....	Pos./BA	0	\$2,138	0	\$3,000	0	\$3,000	0	\$3,000	0	\$0
	FTE/Obl.	0	2,138	0	3,000	0	3,000	0	3,000	0	0

**Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE**

**Activity: Management and Policy Coordination**

**Goals and Objectives**

Goal: To provide executive direction and policy guidance necessary to administer effectively U.S. export control laws and laws regarding the defense industrial and technology base.

Objectives: Pursuant to the Export Administration Act of 1979, as amended, the Defense Production Act of 1950, as amended, and other applicable statutes, the objectives of this activity are to: develop, implement and enforce export controls for reasons of national security, nonproliferation, foreign policy and short supply; reform and streamline the existing control process; establish multilateral control and enforcement regimes; take prompt, aggressive action against violations of U.S. export control statutes; harmonize export control programs with our allies; help newly emerging countries develop effective export control systems and dismantle their defense industries; and oppose restrictive trade practices or boycotts; and develop and implement sound policies relating to the U.S. defense industrial and technology base.

**Base Program**

This activity funds the Office of the Under Secretary for Export Administration and supporting offices. Management and Policy Coordination (MPC) officials provide management and policy guidance to the Assistant Secretaries responsible for the operation of statutory export control, export enforcement, and defense industrial and technology base programs. The MPC portion of BXA's budget funds a system of integrated functions and activities that directly support important national goals.

Ongoing BXA management responsibilities of this activity include (1) the establishment of BXA's overall policy agenda and setting management objectives for operating units and evaluating the performance of these units for consistency with BXA's overall policies; (2) performing oversight of program operations and expenditures; and (3) adjudicating appeals of licensing and enforcement decisions as part of an extended legal process involving Departmental Administrative Law Judges and the Office of the General Counsel; and (4) providing leadership in international negotiations at the Coordinating Committee on Multilateral Export Controls successor regime, the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG), the Australia Group, and the Supercomputer Suppliers Arrangement.

MPC supports the Secretary of Commerce by (1) providing policy support to the Secretary of Commerce on matters relating to BXA's responsibilities; (2) preparing reports and testimony and conducting liaison and public information programs relating to BXA activities; and (3) representing the Department in ongoing

interagency dialogues (i.e., Defense Department, the U.S. Customs Service, the State Department, the Energy Department, the Arms Control and Disarmament Agency, National Security Council, National Economic Council, and the U.S. Trade Representative) on issues involving national security and nonproliferation, export controls, and the defense industrial and technology base.

The Nonproliferation Export Control Cooperation program is also housed within this activity, and MPC provides guidance and coordination for BXA's program which strengthens foreign export controls and encourages defense conversion and industrial partnerships in Ukraine, Kazakstan, Russia, Belarus and other newly emerging countries.

MPC also provides overall guidance and direction on key initiatives that support the President's agenda for reforms as outlined in the National Export Strategy, the National Performance Review, and Secretarial trade related efforts. These include: (1) Reauthorization of the Export Administration Act; (2) Modification and strengthening of the multilateral export control regimes; (3) Streamlined and harmonized export controls; (4) Effective non-proliferation safeguards; (5) Expedited license processing; (6) Better interagency coordination of licensing and enforcement programs; and, (7) Sustained help in strengthening export controls and encouraging defense conversion in newly emerging countries.

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
**Increase for 2000**  
**Export Control Automated Support System (ECASS) Replacement**  
(Dollar amounts in thousands)

		FY 2000 Base		FY 2000 Estimate		Incr. (+)/Dec. (-)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination . . . .	Pos/BA	24	\$3,365	28	\$5,407	+4	+\$2,042
	FTE/Obl.	24	\$3,365	27	\$5,407	+3	+\$2,042

**Export Control Automated Support System (ECASS) Replacement, (4 permanent positions; 3 FTE; and \$2,042,000).** This increase directly supports the following Departmental Strategic Plan theme, goals, and objectives:

Departmental Strategic Plan Theme 1: Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure.

Bureau Goal D: Restructure export controls for the twenty-first century.

Bureau Goal E: Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical weapons, and public safety interests.

The redesign and replacement of the Export Control Automated Support System (ECASS) specifically addresses these Departmental goals and themes. BXA's success in preparing for the twenty-first century will require the bureau to re-engineer outdated and inefficient information processes and procedures. In order to re-engineer these processes, BXA must create a new information system to replace the aging ECASS.

Designed in early 1984, the existing ECASS system has been a very effective system (ECASS processes approximately 11,000 license applications per year). However, since the implementation of ECASS, there have been countless advances made in hardware (high-powered servers), database software (powerful relational database management systems (DBMS) with development case and documentation tools), client server technology, networking and communications (LANs, WANs, and in particular, the Internet), and imaging technology. ECASS was designed to run on a mainframe computer using an obsolete DBMS; it is very costly to maintain and to operate.

A business case for ECASS replacement was completed by Booz-Allen&Hamilton (BAH) in January 1997. Business Process Reengineering and Information Architecture studies conducted in 1998 indicate that: (a) ECASS should be redesigned and rehosted onto BXA's local area network; (b) Cost avoidances and many operational efficiencies should be realized by implementing redesigned business process by utilizing up-to-date modern COTS tools; and (c) a software platform

of Microsoft SQL Server (relational DBMS) and Lotus Notes (groupware software) should be deployed to modernize BXA's Information Architecture, address needed new functionality and support the redesigned of the business process.

During 1998, BAH worked with BXA and information technology experts to reengineer the agency's core business processes and developed a supporting information architecture. The core business process analyses covered (1) policy development and dissemination; 2) the export licensing process; and 3) the Export Enforcement investigation process. This ensured that the right processes would be automated correctly. These core processes have been reengineered and are ready for automation.

The business process reengineering and the development of an information architecture are required by the Clinger-Cohen Act. BXA is taking a 'text book' approach to ensure full compliance with all governmental IT policy (In its FY 1999 passback, OMB indicated a willingness to consider this request in the FY 2000 budget submission if life cycle cost estimates and a cost-benefit analysis could be provided. These have been completed by Booz-Allen&Hamilton and submitted to OMB by Commerce. OMB concurs with the BAH findings that ECASS should be replaced.

The BAH analysis of the ECASS Redesign Alternative documents a broad array of tangible and intangible benefits and significant cost avoidances. Reduced license processing cycle times, and improved enforcement outcomes, as well as better national security and customer relations, are identified as benefits. All financial metrics used by Booz-Allen&Hamilton to assess the economic impact of the proposed investment are positive. Based on their analysis of Life Cycle Cost (LCC), Return on Investment (ROI), Benefit/Cost Ratio and Payback Period, Booz-Allen&Hamilton concludes: "In analyzing the effort to redesign the ECASS system based on a life cycle of ten years beyond FOC, all financial metrics indicate that it is a wise investment."

	2000	2001	2002	2003	2004
Budget Authority . . .	\$2,042	\$1,573	\$680	\$ (375)	\$ (422)
Outlays . . . . .	\$1,832	\$1,553	\$842	\$(172)	\$(363)
FTE . . . . .	3	4	4	4	4

**Exhibit-14**

Department of Commerce  
Bureau of Export Administration  
Operations and Administration  
**Program Change Personnel Detail**

Activity: Management and Policy Coordination

Program Change: Export Control Automated Support System Replacement

Title:	Grade	Number	Annual Plan	Total Salaries
System Redesign Project Manager	GS-15	1	\$80,658	80,658
Computer Specialist	GS-14	1	68,570	68,570
Computer Specialist	GS-13	2	58,027	116,054
Total		4		265,282
Less lapse	25.00%	(1)		(66,321)
Total, full-time permanent		3		198,962
FY 2000 pay raise	4.40%			8,754
Other compensation	0.00%			0
Total full-time permanent:		3		207,716

Personnel Data:	Number
Full-time Equivalent Employment:	
Full-time permanent	3
Other than full-time permanent	0
Total	3

Authorized Positions:	Number
Full-time permanent	4
Other than full-time permanent	0
Total	4

**Exhibit - 15**

Department of Commerce  
 BUREAU OF EXPORT ADMINISTRATION  
 Operations and Administration  
**Program Change Detail by Object Class**  
 (Dollars in thousands)

Activity: Management and Policy Coordination

Program Change: Export Control Automated Support System Replacement

Object Class		FY 2000 Increase
	Personnel compensation	
11.1	Full-time permanent	\$200
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	8
11.8	Special personnel services payments	0
11.9	Total personnel compensation	208
12.1	Civilian personnel Benefits	43
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	1,316
26	Supplies and materials	0
31	Equipment	475
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	\$2,042



Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 President's Budget		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Export Administration.....	Pos./BA	190	\$20,349	192	\$21,776	192	\$23,258	204	\$24,758	12	\$1,500
	FTE/Obl.	185	19,280	191	23,661	191	23,258	200	24,758	9	1,500

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

Program and Performance: Reimbursable Obligations  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Export Administration.....	Pos./BA	4	\$533	4	\$1,000	4	\$1,000	4	\$1,000	0	\$0
	FTE/Obl.	4	533	4	1,000	4	1,000	4	1,000	0	0

**Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Export Administration

**Goals and Objectives**

Goal: To safeguard U.S. national and economic security, nonproliferation, and trade interests by effectively administering U.S. export control laws relating to dual use technologies and weapons of mass destruction; implement the Trade Promotion Coordinating Committee (TPCC) goal to remove outdated export controls; develop, promote and implement policies which ensure a strong and technologically superior defense industrial base; oversee compliance by the U.S. business community with the newly ratified Chemical Weapons Convention (CWC) Treaty; support the President's goal to develop a legally binding protocol to strengthen the Biological Weapons Convention; and implement the Nation's encryption export policy.

Objectives: Pursuant to the Export Administration Act of 1979 (the Act), as amended, Defense Production Act (DPA) of 1950, as amended, and the Chemical Weapons Convention Implementation Act (CWCIA) of 1997, the objectives of this activity are: to develop and implement export controls; expedite decontrol of non-critical commodities; harmonize export control programs among the various international regime members; continuously improve license application analysis, ensure knowledge of U.S. export regulations by the business community; develop and implement policies to ensure that U.S. defense-related industries meet current and projected defense requirements; oversee compliance with the Chemical Weapons Convention by the U.S. business community; and participate in discussions to develop an encryption policy that supports electronic commerce and public safety needs. Although the Act has expired, the Administration is seeking reauthorization. We are meeting our objectives through delegations contained in Executive Order 12924, issued under authority of the International Emergency Economic Powers Act.

**Base Program**

Export Administration (EA) exercises licensing jurisdiction over dual-use commodities and technical data exports from the United States and the re-export of these to other foreign destinations as authorized by the Act. Exports of commodities or technical data which have strategic or foreign policy concerns require formal authorization through issuance of an export license. EA controls exports by means of export licenses or license exceptions.

The volume of export license applications to the West are the simplest to process and continue to decline, while license applications concerned with preventing the proliferation of weapons of mass destruction and missile systems to deliver them are on the rise and pose a new challenge to the United States. The Proliferation requires close coordination with other agencies, senior management, and the intelligence community, as the percentage volume of these types of applications to the emerging democracies in Eastern Europe, the New Independent States (NIS), and countries and regions of proliferation concern increase.

## **Streamlining Export Controls Without Jeopardizing National Security and Foreign Policy Objectives**

EA is responsible for implementing the TPCC recommendation to eliminate unnecessary and ineffective export controls and streamlining the export control process. EA provides technical and policy support for bilateral and multilateral export control negotiations, and in turn, interprets and applies export licensing policies developed to counter the proliferation of weapons of mass destruction. As part of this effort, EA develops and publishes export control regulations and procedures, and resolves interagency disputes over the disposition of individual licenses/policy issues affecting licenses for a specific commodity or to a specific destination.

## **Encryption Implementation**

EA is responsible for implementing an encryption export liberalization plan and participating in discussions to develop an encryption policy that will support both electronic commerce and public safety needs. The encryption policy aims to promote the growth of electronic commerce and secure communications worldwide while protecting the public safety and national security.

## **Defense Conversion and Defense Trade Advocacy**

EA conducts programs to assist U.S. defense firms to diversify into commercial activities in the face of declining defense budgets and evaluates the health and competitiveness of defense industries and critical technologies to meet national security needs. EA provides defense trade advocacy for U.S. industry in support of TPCC and assesses the impact of defense memoranda of understanding on U.S. industry (MOU).

## **Outreach/Education**

EA provides assistance to the business community through seminars, responses to inquiries, and publications by BXA's Exporter Counseling staff at headquarters and the Western Regional Office. EA maintains up-to-date export licensing and export control policy information on the BXA Website. EA conducts foreign/domestic systems reviews of special license holders to ensure compliance with export regulations.

## **Chemical Weapons Convention**

EA is responsible for overseeing compliance with the Chemical Weapons Convention by the business community. This responsibility includes facilitating domestic visits of international inspection teams to determine compliance with multilateral treaty obligations, analyzing industry reports forwarded in compliance with multilateral treaty obligations, and informing industry of its obligations under multilateral treaties through various outreach activities.

## **All Other**

EA implements the National Defense Authorization Act provisions on High Performance Computers. EA develops plans to operate and staff government's industrial resource responsibilities during a national emergency (Emergency Preparedness and promoting industrial preparedness planning with our allies (NATO). EA

prevents disruption of U.S. and international commodity markets through service as chairman of the National Defense Stockpile Interagency Market Impact Committee. EA develops technology transfer policy initiatives as the Commerce representative to the Committee on National Security (CNS). EA supports the Critical Infrastructure Assurance Office (CIAO) initiatives relating to international outreach and emergency industrial response and assessment.

A major structural change has been undertaken by EA to take into account the end of the Cold War and the new security concerns with the proliferation of weapons of mass destruction. The new structure recognizes that future threats to the U.S. national security are likely to arise from rogue nations pursuing weapons of mass destruction or from a decline in the economic competitiveness of the U.S. EA also wanted to focus its resources to increase customer service and improve the quality of analysis and decisions of our agency.

### **Export Control Regime Offices**

EA's principle nonproliferation and unilateral export control operations are organized into three offices including: the Office of Nuclear and Missile Technology Controls; the Office of Chemical and Biological Controls and Treaty Compliance; and the Office of Strategic Trade and Foreign Policy Controls.

Each of these regime offices plays an important role in implementing the full range of responsibilities associated with of nonproliferation export controls and unilateral export controls. They participate in interagency and international deliberations to determine the list of items that will be controlled. The licensing officers are responsible for decisions on export license applications based on their technical analysis of the specific transaction and are active in the interagency dispute resolution process when consensus cannot be reached among the reviewing agencies. They also provide preapplication commodity classifications and advisory opinions to help exporters determine the licensing requirements for their export transactions. These export control offices also provide assistance to the Technical Advisory Committee process and support the BXA seminar program.

The following is a description of EA's three export control regime offices:

The **Office of Nuclear & Missile Technology Controls (NMT)** administers U.S. multilateral and unilateral export controls on nuclear and missile technology. The United States is a member of both the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR). These international organizations focus on preventing the spread of weapons of mass destruction. This office represents the Department in international negotiations on the export controls that shared by member-nations of the NSG and MTCR. NMT is also responsible for all policy actions, export licenses, commodity classifications, and advisory opinions for commodities subject to nuclear and missile technology controls. NMT, composed of the Nuclear Technology (NTD) and Missile Technology Divisions (MTD), also applies export restrictions as appropriate on items subject to the Enhanced Proliferation Control Initiative (EPCI) and the Nuclear Referral List (NRL).

The **Office of Chemical/Biological Controls and Treaty Compliance (CBTC)** is responsible for implementing multilateral export controls in the area of chemical and biological weapons (CBW) proliferation. The office supports multilateral export control activities under the Australia Group and administers industry compliance through export licensing, commodity classifications, and advisory opinions on CBW-related issues.

CBTC is responsible for implementing a number of industry programs under the Chemical Weapons Convention (CWC) including: collection, validation and aggregation of data declarations from about 2,000 U.S. plant sites; industry education on its treaty and obligations; serving as the lead agency escort for the

Organization for the Prohibition of Chemical Weapons (OPCW) inspections of U.S. business facilities; assisting U.S. firms in drafting facility inspection agreements; negotiating final facility agreements with OPCW on behalf of the U.S. National Authority; implementing CWC export control and trade restriction provisions; and, representing the views of the business community to insure that they are fully integrated in the decision-making process in the U.S. Government and in international deliberations on matters of CWC compliance and implementation. CBTC participates in international negotiations to strengthen the Biological Weapons Conventions and is the principal liaison with industry. CBTC also participates in the interagency biosafety working group involving the Convention on Biological Diversity. CBTC administers Congressionally-mandated restrictions on the export of domestically produced petroleum and timber pursuant to six statutes. This office played a lead role in developing the Administration's position on the export of Alaskan North Slope crude oil and administering the state log export ban mandated by the Forest Resources Conservation and Shortage Relief Amendments Act of 1993. The office also analyzes the impact of U.S. export control/economic policy options on the oil industry (e.g., the Iranian sanctions).

The **Office of Strategic Trade and Foreign Policy Controls** implements multilateral export controls under the Wassenaar Arrangement, which deals with conventional arms and related sensitive dual-use items. It is also responsible for the bilateral Supercomputer Regime and for implementing unilateral U.S. foreign policy controls for antiterrorism, regional stability and crime control. Its responsibilities in these areas include development of licensing policies, negotiating positions control list development, export licensing, and the preparation of commodity classifications and advisory opinions. This office also prepares the annual Foreign Policy Export Controls Report to Congress, and is responsible for assistance to other governments relating to export controls. The office has the lead within BXA for the development of encryption policy, the licensing of commercial encryption products and the regulation of key recovery agents.

### **Defense Industries**

The **Office of Strategic Industries and Economic Security** (SIES) is responsible for implementing programs to ensure that the U.S. defense industries can meet current and future national security requirements. It is also tasked with facilitating diversification of U.S. defense related industries into civilian markets, for promoting the conversion of military enterprises in the New Independent States to civilian applications, and for analyzing the economic impact of U.S. export controls, other trade policies, and cooperative international defense agreements on U.S. industrial competitiveness.

SIES identifies foreign market opportunities for U.S. defense manufacturers, assess the industrial and economic benefits related to international defense cooperative programs, measures the industrial base cooperative programs, and the weights from the sale of excess defense articles and stockpile materials. Additionally, the division is responsible for administering the priorities and allocations authorities of the Defense Production Act, for coordinating Commerce's emergency planning preparedness program to ensure industrial responsiveness in emergency situations, and participating in NATO's Industrial Planning Committee. The division is also tasked with facilitating the conversion of military enterprises in the New Independent States.

SIES analyzes the impact of offsets in defense trade on the U.S. defense industrial base and develops initiatives to reduce economic inefficiencies. It also assesses the defense industries capabilities and critical technologies to meet national security needs. This is done by conducting national security reviews on the impact of foreign direct investment in U.S. industries, and carrying out investigations under Section 232 of the Trade Expansion Act of 1962, which calls for an analysis of the impact of foreign imports on U.S. defense industrial base and defense diversification and competitive enhancement activities for small and medium sized defense subcontractors.

SIES ensures that the economic impact of export controls on U.S. firms is considered in the export licensing process, along with national security and foreign policy concerns. It conducts assessments to determine if U.S. export controls are placing American firms at a competitive disadvantage in world markets. It accepts claims of foreign availability and unfair economic impact, collects and analyzes data related to such claims and recommends appropriate actions based on its analysis. It also analyzes the economic implications of export controls regulations and policy options on U.S. industry.

### **Exporter Services**

The **Office of Exporter Services (OExS)** which includes five divisions and a field office on the West Coast, is responsible for EA's outreach functions, the Export Administration Regulations and policy coordination within EA. OExS responds to inquiries from the exporting community; participates in seminars and other outreach efforts to help exporters understand and comply with the Export Administration Regulations (EAR); and, analyzes requests for expedited licensing treatment to determine whether expedited treatment should be granted. This office is responsible for codifying regulatory policy, revising the current regulations, drafting new regulations and coordinating the clearance of all amendments to the Export Administration Regulations. OExS receives, screens, and enters all export licensing data and classification information into the Export Control Automated Support System (ECASS) and issues export licenses upon approval. In compliance with the National Defense Authorization Act (NDAA), OExS is responsible for the timely review, referral, and final notification of all NDAA notices. The office is responsible for the storage, maintenance and retrieval of all licensing documents, and maintains and disseminates all export licensing forms. This office issues all import certifications for controlled commodities entering the U.S. and implements the EPCI End User Verification process through which U.S. exporters are informed of proliferation concerns.

OExS ensures that the Special Comprehensive Licenses (SCL) remain in compliance with the regulations and terms of the licenses by conducting domestic and foreign on-site systems reviews of the SCL Internal Control Programs. An SCL is a license established for knowledgeable, reliable exporters and consignees who export and reexport high volumes of items to pre-approved destinations. OExS develops and revises Internal Control Program Guidelines and Export Management System Guidelines, which companies use to ensure exports are consistent with the EAR. This office also initiates and administers International Cooperative Licenses (ICL's) to facilitate the export of items needed to fulfill U.S. partnership obligations in international cooperative efforts. OExS conducts seminars on a variety of export control issues and develops brochures and other written guidance to educate and train exporters to ensure compliance with the Export Administration Regulations. Each year export control seminars, ranging from introductory licensing courses to advanced sector-specific workshops, are conducted by the Export Seminar Staff and the Western Regional Office to educate exporters on all aspects of export licensing and export license regulations. In addition, two Update conferences --which are designed to provide exporters with the latest policy and regulatory information --are held each year, one in Washington, D.C. and one on the West Coast. This office also provides individual speakers to numerous industry and trade events held across the country on export control and related topics and provides extensive support for BXA's efforts in assisting the U.S. defense industrial base diversify into commercial markets.

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
**Increase for 2000**  
**CWC Protection of Industry Confidential Business Information (CBI)**  
(Dollar amounts in thousands)

		FY 2000 Base		FY 2000 Estimate		Incr. (+)/Dec. (-)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration . . . . .	Pos/BA	192	\$23,128	204	\$24,628	+12	+\$1,500
	FTE/Obl.	191	\$23,128	200	\$24,628	+9	+\$1,500

**CWC Protection of Industry Confidential Business Information (CBI) (12 Position, 9 FTE and \$1,500,000).** This increase directly supports the following Departmental Strategic Plan themes, goals, and objectives:

Departmental Strategic Plan Theme 1: Building for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure.

Bureau Goal D: Restructure export controls for the twenty-first century.

Bureau Objective D5: Oversee domestic implementation of the Chemical Weapons Convention.



Bureau Goal E: Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation, counter-terrorism, chemical weapons, and public safety interests.

Bureau Objective E1: Investigate and initiate criminal, administrative, and civil sanctions for violations of the Chemical Weapons Convention.

The CWC implementation program will play a critical role in ensuring that United States industry complies with all treaty reporting requirements and that confidential business information (CBI) of U.S. chemical and pharmaceutical firms is protected from unauthorized release. This role contributes to the national security and economic strength of the United States and helps to keep America competitive by insuring that its cutting edge technology is protected. These critical missions are described in Themes 1 (D) and 1(F) of the Department of Commerce Strategic Plan for 1997-2002.

As the Lead Agency, Commerce has programmatic responsibility for hosting on-site CWC inspections at commercial facilities by foreign inspectors from the organization for the Prohibition of Chemical Weapons (OPCW). These responsibilities are outlined in the CWC implementing legislation.

The CWC is the first arms control treaty with major industrial compliance responsibilities and the potential for significant loss of confidential business information (CBI). This program not only supports the major U.S. non-proliferation goal of eliminating chemical weapons, but also serves to protect the competitive position of the U.S. chemical, pharmaceutical and biotechnology industries. Through effective CWC implementation, Commerce will seek to insure that the competitiveness of U.S. firms is not jeopardized by the loss of proprietary information as a result of international inspections. BXA's overseeing of the domestic implementation of the Chemical Weapons Convention is an important initiative outlined in the Departmental Strategic Plan.

Commerce will play a leadership role in administering CWC requirements for the commercial sector. It is estimated that approximately 2,000 U.S. plant sites will be affected by the reporting or inspection requirements of the treaty. Part of BXA's intensive partnership activities outlined in the Departmental Strategic Plan will involve working with companies to address their concerns regarding their obligations under the Treaty through outreach programs.

The total requirement for IMT staff is 5 teams of 4 members each, for a total of 20, exclusive of the lawyers. Our approved FY 1998 personnel plan calls for 5 FTEs. In the first quarter of FY 1999, we plan to increase the IMT inspection team staff by 5 to 10 FTEs. In FY 2000, we hope to receive this request and increase our staff by 10 FTE's to 20, with the remaining FTEs to be provided by the Office of the Chief Counsel for Export Administration. By comparison, the On-Site Inspection Agency (OSIA) of the Department of Defense (DOD) has nine host teams of 7-9 persons per team to handle seventeen sites in the United States and its territories.

	2000	2001	2002	2003	2004
Budget Authority . . .	\$1,500	\$1,724	\$1,724	\$1,724	\$1,724
Outlays . . . . .	\$1,275	\$1,616	\$1,712	\$1,724	\$1,724
FTE . . . . .	9	12	12	12	12

**Exhibit-14**

Department of Commerce  
Bureau of Export Administration  
Operations and Administration  
**Program Change Personnel Detail**

Activity: Export Administration

Program Change: CWC Protection of Industry Confidential Business Information (CBI)

Title:	Grade	Number	Annual Plan	Total Salaries
Chemical Engineer	GS-14	5	\$68,570	342,850
Secretary	GS-07	1	\$27,508	27,508
Attorney	GS-14	2	\$68,570	137,140
Attorney	GS-13	3	\$58,027	174,081
Administration Specialist	GS-12	1	\$48,796	48,796
Total		12		730,375
Less lapse	25.0%	(3)		(182,594)
Total, full-time permanent		9		547,781
FY 2000 pay raise	4.4%			24,102
Availability pay	0.0%			0
Other compensation	0.0%			0
Total full-time permanent:		9		571,884

Personnel Data:	Number
Full-time Equivalent Employment:	
Full-time permanent	9
Other than full-time permanent	0
Total	9

Authorized Positions:	Number
Full-time permanent	12
Other than full-time permanent	0
Total	12

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Program Change Detail by Object Class**  
(Dollars in thousands)

Activity: Export Administration

Program Change: CWC Protection of Industry Confidential Business Information (CBI)

Object Class		FY 2000 Increase
	Personnel compensation	
11.1	Full-time permanent	\$560
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	12
11.8	Special personnel services payments	0
11.9	Total personnel compensation	572
12.1	Civilian personnel Benefits	115
13	Benefits for former personnel	0
21	Travel and transportation of persons	343
22	Transportation of things	0
23.1	Rental payments to GSA	128
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	258
26	Supplies and materials	24
31	Equipment	60
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	\$1,500

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Export Enforcement.....	Pos./BA	170	\$20,576	198	\$21,605	198	\$23,034	205	\$24,034	7	\$1,000
	FTE/Obl.	170	23,154	195	23,506	195	23,034	200	24,034	5	1,000

**Department of Commerce**  
**BUREAU OF EXPORT ADMINISTRATION**  
**Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Export Enforcement

Goals and Objectives

Goal: To maintain a fully effective law enforcement program in support U.S. foreign policy, stop proliferation of weapons of mass destruction, combat terrorism, and protect public safety interests.

Objectives: Pursuant to the Export Administration Act of 1979, as amended (the Act), Export Enforcement (EE) enforces dual-use export controls for reasons of national security, nonproliferation, counterterrorism, foreign policy and short supply, enabling the Administration to maximize legal export opportunities while ensuring that illegal exports will be detected and prevented or investigated and sanctioned. These activities support the Administration's goals regarding the non-proliferation of chemical, biological and nuclear weapons and missile delivery systems. EE also ensures prompt, aggressive action against restrictive trade practices (i.e. boycotts), ensures that regulated fasteners meet the represented standards and are tested by an accredited laboratory, enforces export controls on encryption products, reviews visa applications of foreign nationals to prevent illegal technology transfers and conducts cooperative enforcement activities on an international basis. Pursuant to the Chemical Weapons Convention and the EAR, EE has enforcement responsibilities for scheduled chemicals.

In addition, pursuant to the National Defense Authorization Act of 1998, EE must undertake time-sensitive analytical screenings and conduct a voluminous number of post shipment verifications on exports of High Performance (HP) computers to 50 countries including China, India, Pakistan, Russia and Israel.

**Base Program**

The major objectives of BXA's enforcement program as set forth in EE's Strategic Plan include:

Investigating criminal and administrative violations and imposing civil sanctions for violations of the Export Administration Act, the International Emergency Powers Act, the Chemical Weapons Convention and the Fastener Quality Act, and related statutes and regulations. Specific activities include enforcing the export controls for scheduled chemicals and biological agents that are subject to the Export Administration Regulations; obtaining administrative warrants for CWC inspections; enforcing the export controls on encryption products transferred from the State Department Munitions List to the Commerce Control List; investigating exports related to terrorist activities; and enforcing the Fastener Quality Act and regulations which prohibit the sale or offer for sale of threaded nuts, bolts, screws, and studs that do not conform to the standards represented by the manufacturer, and require that these fasteners be tested by an accredited laboratory.

EE's preventive enforcement measures include developing and implementing measures to prevent export control law violations. This includes reviews of unlicensed shipments as well as conducting pre-license checks and post-shipment verifications concerning licensed transactions; increasing emphasis on proactive

enforcement programs to detect and neutralize proliferation efforts by countries of concern, especially through increased review of Shipper's Export Declarations (SEDs); increasing utilization of intelligence research and analysis to better target EE's nonproliferation and counterterrorism enforcement efforts; strengthening the review of visa applications of foreign nationals who are not permanent residents to prevent illegal exports of technology transfers to WMD and other weapons program; and conducting end-use checks overseas to detect and prevent diversions of U.S. goods to WMD projects and to countries of proliferation concern. Other preventive enforcement measures include conducting analytical screenings of pre-export notifications and post shipment verifications on exports of high performance computers to 50 Tier 3 countries; and deterring antiboycott violations by focusing efforts on serious violations which merit major criminal and administrative sanctions.

EE outreach objectives include expanding outreach and education programs to train U.S. exporters to identify and avoid illegal transactions; reducing U.S. business participation in foreign boycotts through a comprehensive public awareness program that increases private sector understanding of the antiboycott regulations; improving the government-wide export enforcement efforts through increased cooperation with other U.S. government export control and enforcement agencies; and working cooperatively with foreign governments on enforcement issues related to fully effective export control programs. Other outreach activities include providing training and technical assistance to foreign export enforcement officials and increasing coordination of enforcement efforts; and providing additional training for special agents and intelligence analysts regarding the changing export control environment.

The activities of the Office of the Assistant Secretary for Export Enforcement (OAS/EE), the Office of Export Enforcement (OEE), the Office of Enforcement Analysis (OEA) and the Office of Antiboycott Compliance (OAC) are mandated by the Act.

**Office of the Assistant Secretary**: This office has oversight of all policy initiatives affecting Export Enforcement's operations. The office reviews and coordinates all enforcement issues arising under the EAA, FQA and acts for the Department in the settlement of export control, antiboycott, and FQA cases. This office is also responsible for coordinating activities related to exports of high performance computers.

**Office of Export Enforcement**: This office investigates alleged export control violations using criminal investigators based in eight field offices throughout the country. The Office of Export Enforcement (OEE) dedicates 118 trained professionals, 106 of whom are criminal investigators, to investigate export control violations. OEE protects U.S. national security, nonproliferation, foreign policy and short supply interests by detecting, preventing and investigating illegal exports and recommending prosecution of Export Administration Act (EAA) violators.

OEE's enforcement personnel work closely with other federal agencies involved in dual-use export controls such as the Department of Justice and its Federal Bureau of Investigations, the Departments of State, Defense, Treasury and its Customs Service, Energy and the Intelligence Community. Because of their close working relationship with BXA's licensing officers and policy staff, as well as with other USG agencies involved in export control, OEE agents have a sophisticated awareness of all aspects of the export control system, the importance of its provisions, and the potential areas of vulnerability.

Investigations are conducted by criminal investigators in eight regional field offices located in major strategic technology exporting centers around the country (Irvine, California; San Jose, California; New York City, New York; Herndon, Virginia; Boston, Massachusetts; Fort Lauderdale, Florida; Dallas, Texas; and Chicago, Illinois).

OEE's Field Support and Intelligence Division, based in Washington, D.C., consists of special agents who collect and analyze information relating to potential dual-use export control violations. The Field Support and Intelligence Division serves as a central repository and point of contact for all intelligence information

needed to identify/target suspects for enforcement investigations and to identify diversion networks. OEE's Headquarters staff enhances EE's efforts to prevent unlawful dual-use exports by supporting the investigative functions of the eight field offices and by conducting liaison with domestic and foreign government enforcement agencies.

OEE participates in the enforcement aspects of various multilateral nonproliferation regimes including the Missile Technology Control Regime (MTCR), the Australia Group, the Nuclear Suppliers Group (NSG), and the Wassenaar Arrangement. OEE has authority to enforce export controls on scheduled chemicals that are subject to the EAR. The Chemical Weapons Convention Implementation Act was passed on October 21, 1998. Once an anticipated Executive Order is issued providing Commerce authority to Commerce, OEE will obtain administrative warrants for CWC inspections.

OEE actively investigates exports relating to terrorist activities, and is a substantial contributor to and participant in the Interagency Intelligence Committee on Terrorism, which coordinates the government's intelligence activities related to counterterrorism. Special emphasis is being placed on the prevention of illegal exports of chemical weapons precursors, biological agents, and nuclear weapons and missile development equipment.

OEE has authority to enforce export controls on encryption products that were transferred from the State Department Munitions List to the Commerce Control List.

OEE has sole responsibility for enforcing the Fastener Quality Act which protects public safety by ensuring that certain threaded fasteners, such as the bolts used in aircraft, meet the technical performance standards asserted by manufacturers or private label distributors. OEE works closely with Commerce's National Institute of Standards and Technology and Patent and Trademark Office to administer the FQA and educate the fastener industry.

**Office of Enforcement Analysis** : The Office of Enforcement Analysis (OEA) conducts information collection, research, and analysis to review export licenses for enforcement concerns. OEA also analyzes intelligence information and correlates this information to determine when pre-license checks (PLCs) and post-shipment verification checks (PSVs) should be requested.

PLCs help EE and BXA determine the reliability of foreign consignees to receive sensitive U.S. technology. PSVs help ensure compliance with the terms and conditions of the U.S. export license. OEA screens all Commerce export license applications to detect potential illegal exports. These preventive enforcement measures help decide which license applications for the export of strategic technology should not be granted because the bona fides of the parties involved are questionable.

The Administration's license liberalization and decontrol initiatives are supported by an EE program which reviews shipper's export declarations (SEDs) received by the Census Bureau. This program enables OEA to review selected export transactions to detect violations of these licenses, using a computerized system to isolate those transactions involving Commerce-controlled items, particularly sensitive items of proliferation concern.

In addition, the U.S. Customs Service is establishing the Automated Export System (AES). This system will be used to monitor export documents. Effective review of SEDs by trained law enforcement personnel provides a crucial means of detecting the illegal potentially damaging transfers of U.S. products and technologies. This information will be used to stop shipments before they reach the port of destination and ensure that commercially significant decontrols of technology do not compromise national security.

OEA has strengthened its Visa Review Program by developing arrangements with the State Department's Office of Consular Affairs and the Intelligence Community's Nonproliferation Center to develop information and leads for assessing use of business visas by foreigners to obtain controlled U.S. technology.

**Office of Antiboycott Compliance:** The mission of the Antiboycott Compliance program (OAC) is to ensure compliance with the antiboycott provisions of the Export Administration Act. OAC investigates violations (such as furnishing boycott-related information, refusals to deal with blacklisted businesses and religious discrimination) and pursues the appropriate administrative or criminal sanctions, including civil penalties, the imposition of periods of export denial, and referral to the Department of Justice for criminal prosecution. Cases warranting administrative action are settled by OAC or referred to the Department's Office of Chief Counsel for the initiation of administrative proceedings. OAC also compiles and publishes statistics about unsanctioned foreign boycotts and carries out extensive public education and counseling in antiboycott matters to encourage compliance with the law.

OAC provides support to the State Department in connection with the U.S. Government's efforts to persuade the Arab governments to end their boycott of Israel.

OAC provides U.S. Embassies with detailed analysis and documentation of the boycott requests received in the United States for use in demarching the Arab governments.



Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
**Increase for 2000**  
**National Defense Authorization Act of 1998**  
(Dollar amounts in thousands)

		FY 2000 Base		FY 2000 Estimate		Incr. (+)/Dec. (-)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement . . . . .	Pos/BA	198	\$23,034	205	\$24,034	+7	+\$1,000
	FTE/Obl.	195	\$23,034	200	\$24,034	+5	+\$1,000

**National Defense Authorization Act of 1998 (7 Positions, 5 FTE and \$1,000,000)** This increase directly supports the following Departmental Strategic Plan theme and goals:

Departmental Strategic Plan Theme 1: Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure.

Bureau Goal D: Restructure export controls for the twenty-first century.

Bureau Goal E: Maintain a fully effective law enforcement program to protect U.S. national security, foreign policy, nonproliferation, counterterrorism, chemical weapons, and public safety interests.

EE has significant new responsibilities to implement the requirements of the National Defense Authorization Act of 1998 (NDAA). Enforcing this legislation, enacted on November 18, 1997, requires EE to undertake time-sensitive analytical screenings of pre-export notifications and to conduct a voluminous number of post shipment verifications on exports of high performance computers to 50 countries, including China, India, Pakistan, Russia and Israel. Post shipment verifications require U.S. government teams to conduct on-site visits to these countries to determine that the computers are not being used for military or proliferation-related purposes. U.S. computer exports at the level covered by this legislation are growing rapidly, so that the cost of conducting post shipment verifications will be significant, estimated at between \$1-2 million.

	2000	2001	2002	2003	2004
Budget Authority . . .	\$1,000	\$1,111	\$1,111	\$1,111	\$1,111
Outlays . . . . .	\$850	\$1,044	\$1,105	\$1,111	\$1,111
FTE . . . . .	5	7	7	7	7

**Exhibit-14**

Department of Commerce  
Bureau of Export Administration  
Operations and Administration  
**Program Change Personnel Detail**

Activity: Export Enforcement

Program Change: National Defense Authorization Act

Title:	Grade	Number	Annual Plan	Total Salaries
Export Compliance Specialist	GS-13	2	58,027	116,054
Export Compliance Specialist	GS-12	2	48,796	97,592
Export Compliance Specialist	GS-09	2	33,650	67,300
Administration Specialist	GS-12	1	48,796	48,796
Total		7		329,742
Less lapse	25.0%	(2)		(82,436)
Total, full-time permanent		5		247,306
FY 2000 pay raise	4.4%			10,881
Total full-time permanent:		5		258,187

Personnel Data:	Number
Full-time Equivalent Employment:	
Full-time permanent	5
Other than full-time permanent	0
Total	5

Authorized Positions:	Number
Full-time permanent	7
Other than full-time permanent	0
Total	7

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Program Change Detail by Object Class**  
(Dollars in thousands)

Activity: Export Enforcement

Program Change: National Defense Authorization Act

Object Class		FY 2000 Increase
	Personnel compensation	
11.1	Full-time permanent	\$247
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	11
11.8	Special personnel services payments	0
11.9	Total personnel compensation	258
12.1	Civilian personnel Benefits	53
13	Benefits for former personnel	0
21	Travel and transportation of persons	390
22	Transportation of things	0
23.1	Rental payments to GSA	72
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	3
24	Printing and reproduction	0
25	Other services	175
26	Supplies and materials	14
31	Equipment	35
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	\$1,000

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
(Dollar amounts in thousands)

Comparison by Activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ Decrease	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Critical Infrastructure Assurance Office.....	Pos./BA	0	\$0	50	\$6,000	50	\$6,386	50	\$6,386	0	\$0
	FTE/Obl.	0	0	50	6,000	50	6,386	50	6,386	0	0

**Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Critical Infrastructure Program

**Goals and Objectives**

Goal: To serve as the inter-agency executive agent for the National Security Counsel (NSC) National Coordinator for Security NSC National Coordinator in developing a national capability to defend the country's critical information systems against attack, as directed by Presidential Decision Directive (PDD)-63.

Objectives: Pursuant to the Presidential Decision Directive (PDD)- 63, the Critical Infrastructure Assurance Office (CIAO) was established on May 22, 1998. PDD-63, titled "Critical Infrastructure Protection," directs that a National Plan Coordination Staff be formed to assist in government and industry-wide efforts to implement the provisions of the PDD. The PDD also directs that the Transition Office of the President's Commission on Critical Infrastructure Protection form the basis of this planning staff, and that it be incorporated into the Department of Commerce in FY 99.

**Base Program**

The major objectives of BXA's critical infrastructure program are as follows:

- C Coordination. The CIAO functions as the Federal Government's interagency coordination mechanism for implementation of PDD -63. The CIAO proposes appropriate agendas for public and legislative affairs to facilitate the goals and objectives in PDD-63. Additionally, the CIAO coordinates the overall effort to compile the National Infrastructure Assurance Plan (NIAP), and assists the National Coordination and the Office of management and Budget in preparing associated Congressional budget requests. Necessary immediate actions pertaining to the NIAP, which is the overarching strategy for government and industry cooperation relating to protecting infrastructures, include development of a standardized vulnerability assessment template; and , integrating the various sector plans into the national plan. Of particular significance to the NIAP are the methodologies that will be used to reduce the possibility of successful cyber attacks on federal entities. Initial identification of these methodologies will involve the use of a standardized template for vulnerability assessment. This template, which has been developed by the CIAO, will assist federal departments and agencies in evaluating the vulnerabilities of their own internal infrastructures. These plans are reviewed by and Expert Review Team at the CIAO, and will subsequently be used in preparing an integrated comprehensive remedial plan to mitigate those vulnerabilities and related interdependencies across the government. The individual lead agency initiatives, sector plans, and the completed remedial plan will then be compiled by the CIAO into the NIAP on a phased basis.
- C Outreach and Education. The CIAO will sponsor a national education and awareness program targeted toward increasing public understanding and participation in protection efforts. The focus of the program will be to better inform the public about vulnerabilities resulting from interdependent networks, as well as facilitate methodologies to enhance academic opportunities relating to computer ethics and information security.

- C Analysis on PDD-63 Status and Studies. The CIAO will coordinate the preparation of annual and other reports to the President on the implementation of the directives in PDD-63. Analytical support for the CICG and lead agencies, as requested by the National Coordinator, includes summarizing key infrastructure assurance laws; identifying and compiling cyber and physical security standards; cataloging training programs; and, analyzing model mutual aid agreements to assist state and local governments and the private sector in protection and restoring critical facilities.

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Summary of Requirements by Object Class**  
(Dollar amounts in thousands)

Object Class	1998 Actuals	1999 Currently Available	2000 Base	2000 Estimate	Increase/ Decrease
Personnel compensation:					
11.1 Full-time permanent.....	\$19,667	\$22,088	\$23,413	\$24,419	\$1,006
11.3 Other than full-time permanent.....	648	183	183	183	0
11.5 Other personnel compensation.....	1,558	2,035	2,035	2,061	26
11.8 Special personnel services payments.....	33	0	0	0	0
<b>11.9 Total personnel compensation.....</b>	<b>21,906</b>	<b>24,306</b>	<b>25,631</b>	<b>26,663</b>	<b>1,032</b>
12.0 Civilian personnel benefits.....	4,761	6,988	7,778	7,989	211
13.0 Benefits for former personnel.....	23	0	0	0	0
21.0 Travel and transportation of persons.....	1,653	1,931	1,931	2,664	733
22.0 Transportation of things.....	17	27	27	27	0
Rent, communications, and utilities:					
23.1 Rental payments to GSA.....	3,558	3,894	3,970	4,170	200
23.2 Rental payments to others.....	20	0	1	1	0
23.3 Communications, utilities and miscellaneous charges.....	888	942	1,570	1,573	3
24.0 Printing and reproduction.....	114	147	155	155	0
Consulting and other services					
25.1 Consulting services.....	421	441	441	511	70
25.2 Other services.....	3,513	7,216	5,500	6,062	562
25.3 Purchase of goods and services from Government accounts.....	6,983	9,870	8,170	9,293	1,123
26.0 Supplies and materials.....	1,005	560	490	528	38
31.0 Equipment.....	927	321	249	819	570
32.0 Lands and structures.....	0	0	0	0	0
33.0 Investments and loans.....	0	0	0	0	0
41.0 Grants, subsidies and contributions.....	0	0	0	0	0
42.0 Insurance claims and indemnities.....	67	0	0	0	0
43.0 Interest and dividends.....	4	0	0	0	0
50.0 Depreciation.....	131	0	0	0	0
<b>99.0 Total Obligations.....</b>	<b>45,991</b>	<b>56,643</b>	<b>55,913</b>	<b>60,455</b>	<b>4,542</b>
Less: Recoveries.....	(1,935)	0	0	0	0
Less: Unobligated balance, start of year.....	(4,138)	(3,982)	0	0	0
Plus: Unobligated balance, end of year.....	3,982	0	0	0	0
<b>99.1 Total Budget Authority.....</b>	<b>\$43,900</b>	<b>\$52,661</b>	<b>\$55,913</b>	<b>\$60,455</b>	<b>\$4,542</b>

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

**Exhibit-17**

**Detailed Requirements by Object Class**  
(Dollar amounts in thousands)

Object Class	2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ Decrease
11 Personnel compensation:				
11.1 Full-time permanent:				
Executive level	\$29	\$360	\$375	\$15
Senior executive service	154	1,921	2,001	80
General schedule/regular employees	1,165	13,928	14,537	609
General schedule/law enforcement	577	7,204	7,506	302
Subtotal	1,925	23,413	24,419	1,006
11.3 Other than full-time permanent:				
General schedule	0	183	183	0
Wage board	0	0	0	0
Experts & consultants	0	0	0	0
Hourly	0	0	0	0
Subtotal	0	183	183	0
11.5 Other personnel compensation:				
Overtime	0	122	124	2
SES performance awards	0	20	20	0
Cash awards	0	305	309	4
Merit pay awards	0	0	0	0
Availability Pay	0	1,588	1,608	20
Subtotal	0	2,035	2,061	26
11.8 Special personnel services payments:				
Foreign service officers (State)	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
11.9 Total personnel compensation:	1,925	25,631	26,663	1,032



	2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ Decrease
12.1 Civilian personnel benefits:				
Civil service retirement system (CSRS)	(29)	1,369	1,340	42
Federal employees' retirement system	404	2,500	2,397	63
Thrift savings plan	71	700	719	19
Federal insurance contribution act	104	244	234	4
Health insurance	136	1,394	1,438	38
Life insurance	5	75	80	2
Employees' compensation fund	14	154	160	4
Other	85	1,342	1,621	39
Subtotal	790	7,778	7,989	211
13.0 Benefits for former personnel:				
Severance pay	0	0	0	0
Unemployment compensation	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
21.0 Travel and transportation of persons:				
Common carrier	0	676	932	257
Mileage	0	19	27	7
Per diem/actual	0	714	986	271
Commercial car rental	0	463	639	176
Other	0	59	80	22
Subtotal	0	1,931	2,664	733
22.0 Transportation of things	0	27	27	0
23.0 Rent, communications, and utilities:				
23.1 Rental payments to GSA	76	3,970	4,170	200
23.2 Rental payments to others	1	1	1	0
23.3 Communications, utilities and miscellaneous charges:				
Federal telecommunications system	15	332	333	1
Commercial telephone services	0	990	991	1
Postal Service by USPS	8	178	179	1
National Archives and Records Administration Storage	5	65	5	0
Other	0	5	65	0
Subtotal	28	1,570	1,573	3

	2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ Decrease
24.0 Printing and reproduction:				
Publications	0	128	128	0
Public use forms	0	6	6	0
Envelopes	0	9	9	0
Other	8	12	12	0
Subtotal	8	155	155	0
25.0 Consulting and other services:				
25.1 Consulting services	0	441	511	70
25.2 Other Services:				
Maintenance of equipment	0	216	233	17
ADP related costs	0	1,082	1,166	84
Telecommunications services	0	289	311	22
Other	66	3,913	4,352	439
Subtotal	66	5,500	6,062	562
25.3 Purchase of goods and services from Gov't accounts				
WCF Payments to O/S	596	8,492	9,390	898
Procurement Reform Savings	0	0	0	0
Other Payments to O/S	0	0	0	0
Other Federal Agencies	(96)	(322)	(97)	225
Subtotal	500	8,170	9,293	1,123
26.0 Supplies and materials:				
Office supplies	4	385	411	26
ADP supplies	(74)	105	117	12
Subtotal	(70)	490	528	38
31.0 Equipment:				
Office machines and equipment	3	93	229	160
ADP hardware	(75)	18	238	165
ADP software	0	6	16	11
Other	0	132	336	234
Subtotal	(72)	249	819	570

	2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ Decrease
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
44 Refunds	0	0	0	0
<b>99 Total Obligations</b>	<b>3,252</b>	<b>55,913</b>	<b>60,455</b>	<b>4,542</b>
Less prior year recoveries	0	0	0	0
<b>99 Total Budget Authority</b>	<b>\$3,252</b>	<b>\$55,913</b>	<b>\$60,455</b>	<b>\$4,542</b>

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION

**Appropriation Language and Code Citations**

**1. “For necessary expense for export administration and national security activities of the Department of Commerce”**

**A. Export Administration**

50 U.S.C. app. 2401 et seq.  
Pub. L. 105-85, 111 Stat. 1932, sections 1211-1215  
10 U.S.C. 7430(e)  
22 U.S.C. 6004 -6005  
30 U.S.C. 185(s), 185(u)  
42 U.S.C. 2139a, 6212  
43 U.S.C. 1354  
46 U.S.C. app. 466c

50 U.S.C. app 2401 et seq. (Export Administration Act of 1979, as amended) provides authority for the regulation of exports for reasons of national security, foreign policy, or short supply. It also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices. The Export Administration Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices on August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), have continued the provisions of the Act in effect, to the extent permitted by law, under authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 - 1706).

Pub. L. 105-85, sections 1211 - 1215 (“Export Controls on High Performance Computers”) requires prior approval of certain exports and reexports of high performance computers and post-shipment verification.

10 U.S.C. 7430(e), 30 U.S.C. 185(s) and 185(u), 42 U.S.C. 6212 and 43 U.S.C. 1354 are provisions related to the export of oil and gas.

22 U.S.C. 6004 -6005 are provisions of the Cuban Democracy Act, as amended, related to certain exports to Cuba.

42 U.S.C. 2139a sets forth the Commerce Department’s responsibility for controlling the export of dual-use items of significance for nuclear explosive purposes.

46 U.S.C. app. 466c prohibits the export of horses by sea for purposes of slaughter.

## **B. National Security**

19 U.S.C. 1862

42 U.S.C. 300j

42 U.S.C. 5195

50 U.S.C. 82

50 U.S.C. 98-98h

50 U.S.C. app. 468

50 U.S.C. app. 2061 et seq.

19 U.S.C. 1862 authorizes investigation of the effects on national security of imports of a particular article, and a report of the results of the investigations to the President with a recommendation for action or inaction.

42 U.S.C. 300j authorizes the issuance of orders requiring the delivery of chemicals or substances necessary for treatment of water (function delegated to the Secretary of Commerce in E.O. 11879, Sept., 17, 1975).

42 U.S.C. 5195 provides for the development of national emergency plans and preparedness programs to anticipate and minimize the effects of hazards (natural disasters and accidental or man-caused events) on the civilian population (functions delegated to the Secretary of Commerce in E.O. 12656, Nov. 18, 1988).

50 U.S.C. 82 provides for U.S. Government procurement of ships and material during war (functions delegated to the Secretary of Commerce in E.O. 12742 (Jan. 8, 1991))

50 U.S.C. 98-98h, the “Strategic and Critical Materials Stock Piling Act,” authorizes the acquisition and retention of stocks of certain strategic and critical materials.

50 U.S.C. app. 468 provides for U.S. Government procurement of any articles or materials authorized by Congress (responsibility for all articles and materials except food, energy and civil transportation delegated to the Secretary of Commerce in E.O. 12742, Jan. 8, 1991).

50 U.S.C. app. 2061 et seq. authorizes BXA to set priorities for performance on defense and energy-related contracts and to allocate materials and supplies which are essential for national defense purposes and for maximization of domestic energy supplies.

## **C. Other**

15 U.S.C. 1501 et seq.

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of BXA which foster, promote and develop foreign and domestic commerce.

**2. “including costs associated with the performance of export administration field activities both domestically and abroad;”**

15 U.S.C. 1531

22 U.S.C. 3922

15 U.S.C. 1531 authorizes the Secretary of Commerce to establish a Buying Power Maintenance account for the Bureau of Export Administration. This fund is to be used to maintain overseas program activity at the appropriated program levels.

22 U.S.C. 3922 provides that the Secretary of Commerce may utilize the Foreign Service personnel system with respect to personnel performing international trade functions transferred to the Department of Commerce by Reorganization Plan No. 3 of 1979 (5 U.S.C. app. 1) and with respect to other personnel of the Department of Commerce to the extent the President determines to be necessary in order to enable the Department of Commerce to carry out function which require service abroad.

**3. “full medical coverage for dependent members of immediate families of employees stationed overseas;”**

No Specific Authority

This language permits the Export Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA’s Foreign Commercial Service in equivalent positions overseas.

**4. “employment of Americans and aliens by contract for services abroad;”**

No Specific Authority

Federal agencies must have specific legislative authority to procure personal services by contract. See 44 Comp. Gen. 761 (1965); H.R. Rep. No. 188, 89th Cong., 1st Sess. 5-13 (1965). This appropriation language gives the Export Administration the flexibility to procure, by contract, services of U.S. citizens or aliens as appropriate. In some cases, it is advantageous to employ aliens who are fluent in the native language of the host country; who are familiar with local practices and procedures; or who only need to be employed for a short period of time. In other cases, it is advantageous to employ U.S. citizens in the host country (generally members of an employee’s family) who have greater familiarity with American methods and may require less effort to train.

**5. “payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;”.**

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the United States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the United States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 (k) exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt the Export Administration from 28 U.S.C. 2680 and would authorize the settlement of tort claims against the United States which arise in connection with EA activities abroad.

**6. “not to exceed \$15,000 for official representation expense abroad;”**

No Specific Authority

Appropriated funds may not be expended for entertainment except when specifically authorized by law. See, e.g., 43 Comp. Gen.305 (1963). The foregoing language provides such specific authority for the Export Administration to expend up to \$15,000 for entertainment and similar expenses related to its official activities abroad.

**7. “awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401 (b);”**

50 U.S.C. app. 2411  
22 U.S.C. 401 (b)

50 U.S.C. app. 2411 provides the Bureau of Export Administration with authority to make investigations and obtain such information as may be necessary to enforce the provisions of the Export Administration Act of 1979, as continued in effect, to the extent permitted by law, by E.O. 12924.

22 U.S.C. 401(b) provides for awards of compensation to informers concerning illegal exports of war materials or other articles in violation of the law, when funds are specifically provided therefor.

**8. “purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law;”**

No Specific Authority

31 U.S. C. 1343 prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments.

**9. “...to remain available until expended,”**

No Specific Authority

31 U.S.C. 1301 provides that “[a]n appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation . . . expressly provides that it is available after the fiscal year covered by the law in which it appears. . . .” “[T]o remain available until expended” constitutes such express language.

**10. “of which . . . shall be for inspections and other activities related to national security:**

No Specific Authority

Title 1 of Public Law 105-277, the “Chemical Weapons Convention Implementation Act of 1998,” directs the President to implement U.S. obligations under the Chemical Weapons Convention, including inspections of certain privately chemical production, processing and consumption facilities by the Organization for the Prohibition of Chemical Weapons. Although the President has not yet issued an Executive Order designating Commerce as responsible for these inspections, BXA does anticipate being directed to undertake such responsibilities, and has begun preparing for them, including training staff and developing procedures related to inspections.”

**11. “*Provided*, That the provisions of the first sentence of section 105 (f) and all of section 108 (c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455 (f) and 2458 (c)) shall apply in carrying out these activities: *Provided further*, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments.”**

22 U.S.C. 2455 (f)

22 U.S.C. 2458 (c)

22 U.S.C. 2455 (f) provides authority to accept contributions of funds, property, and services from foreign governments, international organizations, and private individuals, firms, associations, agencies, and other groups in carrying out activities pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458 (c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and the necessary supplies therefor.

The quoted appropriations language makes clear that the Mutual Educational and Cultural Exchange Act of 1961 applies to the activities of the Export Administration. The language also authorizes the Export Administration to apply contributes received under MECEA toward the cost of activities conducted under MECEA, thereby providing an exception to the general requirement of 31 U.S.C. 3302(b) to deposit money received by the Government from any source in the Treasury.



Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

**Consulting and Related Services**  
(dollar amounts in thousands)

	FY 1998 Actuals	FY 1999 Currently Available	FY 2000 Estimate
Consulting services.....	\$421	\$441	\$511

The Bureau of Export Administration utilizes consulting services on an as needed basis to provide expertise unique to specific technical areas for which BXA has limited knowledge or abilities. We have no continuing requirements that necessitate a permanent operating budget for consulting services, but do use consultants for a wide range of issues unique to any given year. The increase between FY 1997 and FY 1998 reflect the potential increased use of consultants to deal with a wide range of very specific issues ranging from computer systems redesign to the establishment of export control expertise to deal with newly implemented program mandates such as Chemical Weapons, Encryption, Fastener Quality Act, and nonproliferation matters dealing with countries which fall under the umbrella of our Nonproliferation Export Control program.

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration

**Periodicals, Pamphlets, and Audiovisual Products**  
(dollar amounts in thousands)

	FY 1998 Actuals	FY 1999 Currently Available	FY 2000 Estimate
Periodicals and Publications.....	\$1,114	\$147	\$155

Export Administration publications, periodicals, and pamphlets are one of the most essential tools through which the Bureau of Export Administration fulfills its mission to administer U.S. statutes and agreements dealing with export controls.

The major publications (periodicals) produced include the Export Administration Regulations, Export Administration Annual Report, and the Annual Foreign Policy Report to Congress. Publications play an essential role in keeping the community and the public informed on particular aspects of export control issues.

Pamphlets are primarily used to educate the business community on the functions performed by the Export Administration program and are distributed through Export Administration's export seminar program during individual business seminars, giving speeches at public functions, and answering questions from the business community regarding exports.

Department of Commerce  
BUREAU OF EXPORT ADMINISTRATION  
Operations and Administration  
**Average Grade and Salaries**

	FY 1998 Actuals	FY 1999 Currently Available	FY 2000 Estimate
Average ES salary.....	\$116,198	\$116,198	\$116,198
Average GS grade.....	11.04	11.04	11.04
Average GS salary .....	\$55,341	\$56,835	\$58,711
Average salary of ungraded positions.....	\$0	\$0	\$0

**Bureau of Export Administration**  
*FY 2000 Budget Performance Measures*

<i>PERFORMANCE MEASURES</i>	<i>1998 Actuals</i>	<i>1999 Est.</i>	<i>2000 Est.</i>	<i>2001 Est.</i>	<i>2002 Est.</i>
<b><i>Theme 1: Goal D: Restructure export controls for the twenty-first century.</i></b>					
<i>1. Number of high risk transactions deterred</i>	<i>329</i>	<i>504</i>	<i>508</i>	<i>512</i>	<i>516</i>
<i>2. Number of licensing decisions</i>	<i>11,016</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>
<i>3. Average processing time for license applications</i>	<i>33 days</i>	<i>33 days</i>	<i>33 days</i>	<i>32 days</i>	<i>31 days</i>
<i>4. Number of export assistance seminars/conferences</i>	<i>202</i>	<i>204</i>	<i>204</i>	<i>204</i>	<i>204</i>
<i>5. Number of nonproliferation and export control international cooperative exchanges</i>	<i>41</i>	<i>42</i>	<i>30</i>	<i>30</i>	<i>30</i>
<b><i>Theme 1: Goal E: Maintain a fully effective law enforcement program</i></b>					
<i>1. Number of enforcement outreach visits</i>	<i>1,285</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>
<i>2. Number of investigations completed</i>	<i>1,232</i>	<i>1,300</i>	<i>1,300</i>	<i>1,300</i>	<i>1,300</i>
<i>3. Number of investigations accepted for criminal or administrative remedies</i>	<i>67</i>	<i>73</i>	<i>70</i>	<i>70</i>	<i>70</i>
<i>4. Number of end-use visits conducted</i>	<i>674</i>	<i>680</i>	<i>680</i>	<i>680</i>	<i>680</i>

<i>PERFORMANCE MEASURES</i>	<i>1998 Actuals</i>	<i>1999 Est.</i>	<i>2000 Est.</i>	<i>2001 Est.</i>	<i>2002 Est.</i>
<b><i>Theme 1: Goal F: Facilitate transition of defense industries</i></b>					
<i>1. Strategic industry analyses completed</i>	299	295	295	300	300

**Measure:** Number of high risk transactions deterred

**Target:** 508 (FY 2000)

**Data source:** Export Control Automated Support System (ECASS)

**Frequency:** Annual

**Baseline:** 329 (FY 1998)

**Data storage:** ECASS

**Verification:** An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.

**Comment:** License applications received, analyzed, and subsequently denied by BXA. This measures the number of high risk transactions which BXA reviewed and subsequently denied based upon a careful risk assessment. Beginning in FY 1999 BXA will include in this category those transactions returned without action (RWA)\* because the applicant was not able to provide sufficient background or technical information to support approval of the license application. U.S. security is enhanced through the judicious implementation of controls on the export and other transfers of materials, equipment, technology and software that could be used for weapons applications.

**External factors:** Unanticipated global events often result in changes in export control requirements which may impact the types of commodities and destinations requiring an export license as well as the denial policy for such transactions.

**Measure:** Number of licensing decisions

**Target:** 12,000 (FY 2000)

**Data source:** Export Control Automated Support System (ECASS)

**Frequency:** Annual

**Baseline:** 11,016 (FY 1998)

**Data storage:** All license processing data are stored in the Export Control Automated Support System.

**Verification:** ECASS contains appropriate systems edits, and measures are audited under the CFO Act.

**Comments:** This measure counts the total number of applications that were either approved, denied, or returned without action (RWA's) during the fiscal year. Upon receipt, license applications are reviewed for completeness (front end review) and entered into ECASS, BXA's electronic processing system (registration). If incomplete, additional information is requested from the exporter before proceeding. If complete, the application is screened against an automated list of end-users of concern, forwarded to the appropriate licensing and enforcement specialists for a complete analysis of the application; review of available intelligence information; required referrals to other export control agencies; and, subsequent policy reconsideration/determination. The number of export licensing decisions is the

	best measurement for the scope of the export control system as it relates to trade in manufactured exports and national security concerns with technology transfers.
<b>External factors:</b>	The overall health of the global economy may impact the number of export license applications submitted. In addition, unanticipated global events often result in changes in export control requirements which may impact the types of commodities and destinations requiring an export license. Exporter awareness of export policies may deter them from pursuing transactions which cannot be licensed, thereby reducing potential license submissions and decisions.
<b>Measure:</b>	<b>Average processing time for license applications</b>
<b>Target:</b>	33 days (FY 2000)
<b>Data source:</b>	ECASS (Export Control Automated System)
<b>Frequency:</b>	Annual
<b>Baseline:</b>	34 days (FY 1998)
<b>Data storage:</b>	ECASS
<b>Verification:</b>	ECASS contains appropriate systems edits, and measures are audited under the CFO Act.
<b>Comment:</b>	This reflects the average number of calendar days that elapsed between receipt and final action for all applications processed during the fiscal year regardless of the date received.
<b>External factors:</b>	Unanticipated global events often result in changes in export control requirements which may impact the types of commodities and destinations requiring an export license. An unanticipated increase in the number of applications submitted may result in an increase in processing times. In addition, the implementation of new export control policies historically results in an initial increase of new license applications undergoing interagency dispute resolution which results in increased processing times.
<b>Measure:</b>	<b>Number of export assistance seminars/conferences</b>
<b>Target:</b>	204 (FY 2000)
<b>Data source:</b>	Counts of seminars and conferences from the Seminar schedule published each year.
<b>Frequency:</b>	Annual
<b>Baseline:</b>	202 (FY 1998)
<b>Data storage:</b>	The Office of Export Services collects and stores the data.
<b>Verification:</b>	An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.
<b>Comment:</b>	This measures the number of seminars/conferences in which BXA either is a sponsor or participant. BXA's outreach program to the domestic and international business community encourages compliance with the Export Administration Regulations. Through these seminars we are able to educate and assist businesses, heightening their awareness of the Administration's objectives and ensuring their compliance with the regulatory requirements. These seminars also help identify problem transactions for enforcement review, market opportunities for firms in the U. S. defense industrial base, and identify U. S. defense contractors which can benefit as customers of BXA's advocacy and defense industrial base programs. The number of training events conducted provides an accurate measure over time of the transfer of knowledge about the requirements of export controls from the government to the private sector.
<b>External factors:</b>	Unanticipated global events often result in changes in export control requirements which may impact the types of commodities and destinations requiring an export license. BXA, in turn, would increase the number and type of seminars and workshops to educate the

exporting community concerning new licensing and documentation requirements. The general political environment and economy as they affect international defense trade and cooperation and the competitiveness of the U.S. defense industrial base can either reduce or increase the level of interest in programs and may result in an increase in demand for the information and services.

**Measure:** **Number of nonproliferation and export control international cooperative exchanges**  
**Target:** 30 (FY 2000)  
**Data source:** NEC activity files, reporting cables, and other files.  
**Frequency:** Annual  
**Baseline:** 41 (FY 1998)  
**Data storage:** NEC collects and stores the data.  
**Verification:** An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.  
**Comment:** The total number of technical exchanges, executive exchanges, symposia, fora, workshops, and training courses delivered by the Nonproliferation Export Control (NEC) activity, other training courses, assessments, and similar multilateral and bilateral activities in which NEC has the lead, or has an active role. These exchanges are the primary method that NEC uses to implement its nonproliferation and export control cooperation program with foreign governments. This measure records the number of exchanges and not the number of countries participating. If one exchange involves multiple countries (e.g., the annual update event) the exchange is still counted as one. An *output* rather than an *outcome* measure is used because the NEC activity has a great ability to affect the output (i.e. the number of technical exchanges) than it has to affect the outcome (i.e., improvements in the export control systems in the foreign countries) which is very substantially determined by the actions of foreign sovereign governments.

**External factors:** BXA/NEC works in cooperation with other federal agencies to assist Newly Independent States to develop export control systems. The pace of this program depends on the initiative of individual countries to develop export control systems. Another external factor is the level of interagency commitment to provide expert support during the technical exchange process.

**Measure:** **Number of Enforcement outreach visits**  
**Target:** 900 (FY 2000)  
**Data source:** Enforce subsystem of ECASS and paper files; agent monthly activity reports.  
**Frequency:** Annual  
**Baseline:** 1,285 (FY 1998)  
**Data storage:** The Office of Export Enforcement collects and stores the data.  
**Verification:** An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.  
**Comment:** As part of their preventive enforcement mission, BXA special agents visit U.S. firms under "Project Outreach." During each outreach visit, the agents educate the firm about EE's enforcement program and seek the firm's voluntary cooperation in detecting potential illegal transactions in order to halt those transactions before they damage U.S. national security and foreign policy interests. Antiboycott outreach occurs in the form of presentations to organizations concerning compliance with the antiboycott provisions of the EAA. These outreach efforts are directed to conferences sponsored by trade and business associations and continuing legal education institutions.

**External factors:** None

<b>Measure:</b>	<b>Number of investigations completed</b>
<b>Target:</b>	1,300 (FY 2000)
<b>Data source:</b>	Enforce subsystem of ECASS and case management database
<b>Frequency:</b>	Annual
<b>Baseline:</b>	1,232 (FY 1998)
<b>Data storage:</b>	The Office of Export Enforcement collects and stores the data. Cases are also tracked in ECASS.
<b>Verification:</b>	An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.
<b>Comment:</b>	This represents the number of case investigations completed during a fiscal year. When there is reason to believe that the EAA and the EAR have been violated, OEE criminal investigators and OAC compliance officers initiate a formal investigation and open a case file. Investigations result in a criminal or administrative penalty, a warning letter for minor infractions, or closing of the case if no violation was found. This output measure covers one of the most important features of our law enforcement program, namely, the pursuit of an investigation to a proper conclusion based on the facts and law.
<b>External factors:</b>	None.
<b>Measure:</b>	<b>Number of investigations accepted for criminal or administrative remedies</b>
<b>Target:</b>	80 (FY 2000)
<b>Data source:</b>	Enforce subsystem of ECASS and case management database.
<b>Frequency:</b>	Annual
<b>Baseline:</b>	67 (FY 1998)
<b>Data storage:</b>	The Office of Export Enforcement and the Office of Chief Counsel collect and store the data. Case status information is reconciled quarterly
<b>Verification:</b>	An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.
<b>Comment:</b>	This measure refers to investigations accepted by U.S. Attorneys' offices for criminal prosecution and/or Commerce's Office of Chief Counsel for administrative sanctions.
<b>External factors:</b>	Priorities and resources of the Department of Justice and Commerce's Office of Chief Counsel.
<b>Measure:</b>	<b>Number of end-use visits conducted</b>
<b>Target:</b>	680 (FY 2000)
<b>Data source:</b>	Enforce Subsystem of ECASS and ad hoc programs
<b>Frequency:</b>	Annual
<b>Baseline:</b>	674 (FY 1998)
<b>Data storage:</b>	The Office of Export Enforcement and the Office of Enforcement Analysis collect and store the data.
<b>Verification:</b>	An independent verification and validation of the data source and data to be performed by a private sector audit firm under the CFO Act.



<b>Comment:</b>	A key element of EE's preventive enforcement mission is conducting on-site visits to foreign end-users of selected goods and technologies exported under the EAR (whether exported under licenses approved by BXA or under license exceptions permitted by the EAR). End-use visits consist of pre-license checks and post-shipment verifications. Pre-license checks are performed prior to issuance of licenses by BXA and are generally done by US&FCS. Post-shipment verifications are done by US&FCS officials as well as U.S.-based OEE special agents to ensure that the products are being used by the authorized end-users and for the end-uses permitted by the licenses or license exceptions. This output measure supports the goals of (1) maintaining an effective law enforcement program, by determining the legitimacy of controlled export transactions; (2) improving public knowledge of and compliance with export regulations, by educating foreign consignees of U.S.-origin items; and (3) increasing cooperation with domestic and international law enforcement, export control and policy organizations, by sharing information with EE's law enforcement counterparts located in countries where the visits are conducted.
<b>External factors</b>	The number of pre-license checks will vary with the annual volume of license applications. The number of post-shipment verifications may vary in accordance with such factors as the number of high performance computers (HPCs) exported to certain countries annually. The National Defense Authorization Act of 1998 mandates post-shipment verifications for all HPCs that are exported to 50 countries (including China, India, Pakistan, Russia and Israel). Thus, as more computers having performance capabilities in the HPC range (assuming the definition of HPC remains constant) are manufactured in the future, the number of post-shipment checks must increase accordingly.
<b>Measure:</b>	<b>Number of strategic industry analyses completed.</b>
<b>Target:</b>	295 (FY 2000)
<b>Data source:</b>	The analytical products are written reports which are forwarded to the requester and are available for review and assessment.
<b>Frequency:</b>	Annual
<b>Baseline:</b>	299 (FY 1998)
<b>Data storage:</b>	The Office of Strategic Industry and Economic Security collects and stores the data.
<b>Verification:</b>	An independent verification and validation of the data source and data is performed by a private sector audit firm under the CFO Act.
<b>Comment:</b>	These are analyses undertaken by BXA as part of its broad responsibility to support the U.S. defense industrial and technology base, and include reviews of the economic/industrial base impacts of various international and domestic economic, trade, regulatory, and budgetary factors. Also included are assessments of the international competitiveness and production capabilities of strategic industries and technologies. Specific categories of analyses include the following: Defense Memoranda of Understanding Impact reviews; Impact of Excess Defense Article assessments; Stockpile Disposal Market Impact analyses; Industrial Capabilities studies; Impact of Offsets in Defense Trade analyses; and analyses of the Impact of Export Controls/Sanctions. The number of completed analyses is an accurate measure over time of the economic and commercial information provided to the business community and Congress from which to make informed marketing or policy decisions. Analyses provided to government decision makers present data to develop appropriate U.S.G. economic and defense industry policies and statutes.
<b>External factors:</b>	The biggest external factor affecting the overall volume of strategic industry analyses completed is the environment for international defense trade and cooperation, since defense MOUs and excess defense article disposal account for the bulk of the analyses, by volume. Domestic and international economic conditions affecting the health of U.S. strategic industries influence the need for strategic industry

analyses. Unanticipated global events may also affect such analyses by shifting the commodities and destinations subject to export controls, thereby requiring new industry analyses.